fish ponds have been built. In 1931, Hungary exported over three million 226
pengö worth of fish to Western Europe. The most common fish caught are carp, sheatfish and barbel. The Balaton provides delicious sturgeon and pike perch.

The post-war governments have made efforts to improve the productivity 242 656
of Magyar soil through mechanization, increase in fertilizer production, introduction of modern methods in handling manure, seed selection, rejuvenation of the breeding stock, increase of pasture areas, irrigation, flood-control, reforestation, and use of the latest methods of agro-biology and agro-chemistry. These aims were, however, secondary to the tremendous investments in industry, especially heavy industry. The drouth of the early fifties and the resistance of the peasants fighting collectivization added to the insufficiency of the above efforts and the agricultural situation became stagnant, then declined. The "new course" policy of Premier Nagy brought a fresh approach in 1953. Nagy invested 24 per cent of the total [474]
investments on the State's budget into agriculture in 1954, brought forced collectivization to a halt, even permitted the peasants to leave the kolkhoses, and favored consumer goods. He also had more liberal policies in the villages; e.g. he permitted the reorganization of farmers' clubs (gazdakör).

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These machine stations are, of course, State property and their services can be rented at rates established by the government. Kolkhozes and peasants enjoy more favorable rates than wealthy peasants. There is some resistance to mechanization on the part of the more conservative

[242] peasants. This resistance is, however, much less than that encountered against entirely new farming methods such as the square-cluster method of seeding corn or the lengthwise and crosswise hoeing.

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As a rule, peasants have to deliver first their compulsory delivery quotas at a low price set by the State. If some produce is left, which may or may not be the case, they can market the rest freely. If and when delivery quotas are not fulfilled, the free marketing of certain products may be forbidden for a time. In 1954 such restrictions were made on meat

[253] and lard. Especially Draconic are the government's measures against "unlawful" slaughtering of domestic animals, for the situation is acute in this branch of agriculture. Government decree No. 250,480 of February 23, 1951 promises five per cent of all the goods confiscated to anyone, official or private citizen, who helps the authorities to discover "black slaughtering."

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The Hungarian peasants either operate their farms individually, which is true in the majority of cases, or they work for a state farm (sovkhos),

3:Kemeny G-5 (1945-48)1952 EC1 Hungary EC1

p.125

CHAPTER XII

CONCLUSION

EFFORTS AND ACHIEVEMENTS

THE Hungarian Three-year Plan was an ambitious scheme for forcing up industrial output and it produced conspicuous results. Reconstruction in industry and transport was accomplished, and, beyond that, industrial capacity in important sectors enlarged. Efforts were made in agriculture to make good in a few years the omissions of previous decades. The training of farmers, the abolition of strip farming, and the application of a series of technical changes were part of a comprehensive development programme calculated to raise yields. In spite of extreme tension in the villages, improvements were effected, though naturally at a slower pace than in industry, and the first slight progress was made in mechanization.

When all the collateral effects of the production drive in industry are taken into consideration, there is room for doubt whether the results achieved are to be accepted at their face value. Hungarian planners set out to force increasing production at all costs. If they failed to realize the reduction in costs of production which they had hoped for, they at any rate found a way towards higher production by making a fuller use of the available resources. They could do so because they were carrying out the Plan in a community where labour was underemployed. They concentrated on one of their targets—the volume of production—while abandoning the realization of the rest. It was possible to draw more heavily on labour reserves than originally intended, and there resulted an unevenness in the execution of the Plan. While production programmes were reached or slightly exceeded, the improvement in the productivity of labour fell short of the estimates. It was not only additional labour that was required, but also capital equipment. The planners claimed at first that the capital programme had been exceeded by some 20 per cent. According to statements in the Final Report of the National Planning Department, the excess overestimates amounted to 25 per cent in investment as a whole, and in industry in particular to 37 per cent. Investment seems to have gone beyond what was required for the level of production which had been planned. Were there perhaps in the later stages investments carried out in preparation for the

185x 241 seeds. The expected yields per unit of land were cautious estimates and were all lower than the prewar yields. At January 1947 prices the total value of field crops was to reach in 1949-50, 4.3 billion forints against 4.7 billion in 1938-39. In the first year only a 3.7 billion yield was expected.

185x 231 Livestock, which had suffered more from the war than crop farming, was to yield 2.8 billion forints in the first and 3.9 billion in the third year, against the prewar 4.5 billions. This included the expected increase in livestock which, realistically, was to exceed the prewar figure and was to bring the cattle population from 1.1 million head in 1946 to 1.3 million in 1950 — milch cows from 604,000 to 780,000, horses from 399,000 to 630,000, both below the prewar figures. Pigs were to number 5.9 million, against 3.4 million in 1946 and 5.2 million in 1938.

185x 242 Agricultural investments out of public funds were to include such activities as extending the acreage of irrigated land, the mechanization of agriculture, consolidation of the scattered strips of small holdings, soil improvement, the purchase of pedigreed breeding stock, the reconditioning of plant and livestock breeding stations, extending agricultural education, etc.

Considering the scope for improvements, the sums provided were small and, in view of the urgency of other tasks, it was questionable whether it was wise to give such high priorities to expensive irrigation schemes and the electrification of villages.

185x 241 Due to unfavorable weather, crops in the first year did not come up to expectations. Although there was a 24 percent increase in output relative to 1946-47, achievement was below the modest goals of the plan. But achievement fell short of the plan even where it need not have done so. Cropping differed markedly from that planned. There were few crops where the acreage planted was not either considerably below or above that planned. Even the planned small changes in cropping ran counter to the natural predilections of the peasant farmers.[16] A rather puzzling result was that the increases in both livestock population and meat production were claimed to have exceeded their goals by over 30 percent.

What happened in 1949 is less clear, because agriculture is dealt with rather summarily in the Final Report and other information available. Crops reached, in the aggregate, 89 percent

16. Peasant farms tended to be self-sufficient and even quite small farms had a higher proportion of their arable acreage under bread grains than the larger estates. They did not go in extensively for commercial and fodder crops.

8: Schweng S-4,5 (no date) 1951 EC1 Hungary EC1

of the mark set. However, this had been set at only 87 percent of prewar. Thus crops could be 77 percent of prewar, apparently due largely to the poor yield of corn and potatoes. The per unit yield of wheat was exactly as high as planned, 1.3 tons per hectare (prewar average over 1936-40, 1.48 tons per hectare); rye was slightly better than expected, 1.15 tons per hectare, the same as prewar.[17]

Against the poor results in crop farming, the livestock figures as reported are surprisingly good, especially in view of the fact that the plan did not run the full three years but only 29 months. The cattle population is supposed to have reached 2.1 million head which is 26 percent higher than the figure planned for 1950 and 10 percent higher than the prewar figure. The pig population was claimed to have increased two and a half times in the plan period, but no dates were given. Without them the increase is meaningless and no estimate of the actual size is possible because of the large seasonal variation. It was stated that at the same time there had been a 78 percent increase in per capita meat consumption. The number of horses increased more slowly than expected and was 74 percent of prewar, against the expected 78 percent.

Investments in agriculture, both direct and indirect, were budgeted at 2.0 billion forints in three years, 0.58 billion in the first year. In the first year actual investments exceeded the budgeted sum by 18 percent, largely because of the substantial private investments of farmers. Total agricultural investments in 29 months amounted to slightly less than 3.0 billion forints, 50 percent more than budgeted and the volume of investments was claimed to have been 34 percent greater than planned.

The most important result of the investment program was the establishment of 221 tractor stations with 3,800 tractors and a large amount of other agricultural machinery. Altogether some 4,500 tractors were added to the stock of 12,500. Other investments include the increase of the irrigated acreage by 15,000 hectares to a total of 26,000 hectares,[18] the setting up of sixteen stations for plant breeding and seventy-three stations for artificial insemination,[19] the building of 40,000 cubic meters of silos, and the reforestation of 59,000 hectares. As to indirect

17. For changes in the volume of aggregate output, see Tables IV, Va, and Vb.

18. Mainly for the growing of rice. Rice is now grown on 14,000 hectares, against 5,000 hectares before the war.

19. Sixty-two for horses, ten for cattle, one for sheep.

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percent. In the fifteen years of the interwar period (1924-25 to 1938-39) the gross value of agricultural production increased by 35 percent if valued at constant prices.[8]

The increases in average yields per unit of land necessary to achieve the contemplated rise in aggregate output are 13 percent for wheat, 27 percent for rye, 35 percent for corn, 30 percent for potatoes, 40 percent for sugar beets, 27 percent for sunflower seed, etc. As the expected, and even more, the actual yields of 1949 were all below prewar levels, the goals set are not excessive. In fact, with few exceptions, they correspond to, or are even below, the averages of 1936-40.

The yield of permanent pastures will be increased by 10 percent, that of orchards, vineyards and truck farms by 20 percent. The cattle population will be increased to 2.4 million head, the horse population to 750,000, the pig population to 5.6 million, and sheep to 1.6 million. This means reaching the 1942 level of cattle and sheep population. The number of horses and pigs would fall below the prewar level. In increasing livestock, priority will be given to state-owned and collective farms. Besides an increase in numbers, there will have to be an increase in yields. The average milk yield per cow is to be increased by 20 percent and the wool clip per sheep by 13 percent. Due attention is to be given to increasing the acreage under fodder crops to provide for the larger animal population.

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The increase in field crops is to be attained by large-scale mechanization resulting in better tillage, and by improved and up-to-date techniques applied in large units. The number of tractors is to be increased from about 17,000 at the end of 1949 to 22,800 in 1954. Of these, 19,500 will be operated by tractor stations, the number of which will be increased to 500. (At the end of 1949, there were 221 stations operating 3,800 tractors.) There is also to be a corresponding increase in other machinery. The use of fertilizers will be increased to 4.5 times the 1949 level.[9]

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Irrigated acreage (26,000 hectares in 1949) is to be increased by 68,000 hectares to 94,000 hectares. The irrigation project begun in 1937 will thus be about half completed. Serious effort is to be made to improve acid and alkaline soils, beginning with the improvement of 17,000 hectares of alkaline and 40,000

8. For volume of output see Tables III, IV, Va and Vb in the Appendix.

9. Production of superphosphate and nitrogenous fertilizers in 1949 was 157,000 tons against 80,000 tons in 1938. There may have been some exports, but most of the production was for home consumption.

hectares of acid soils. At the same time, large-scale experiments are to be organized to discover and test methods to improve such soils, which cover about 500,000 hectares in Hungary. The plan also provides for the planting of forests on 29,000 hectares and for the reforestation of another 45,000 hectares of denuded forest land. The aim is to add yearly 300,000 cubic meters to the standing timber to make up for the inroads made on the forests before and during the war. Before the war, 17,000-23,000 hectares were reforested in a year, including new plantations.

In agricultural research, the systems of crop rotation successfully practiced in the Soviet Union will be tested and new plants (kenaf, kok-sagiz, tea, citrus fruits and cotton were specifically mentioned in an official statement) will be introduced. A cotton acreage of 58,000 hectares is planned for 1954. In 1949 cotton growing was still in an experimental stage.

Investments in agriculture will amount to 8.0 billion forints, with indirect investments raising the total to 12.5 billions. Half of the sum to be spent on agriculture will serve mechanization.

As the prevalence of fragmented small holdings hinders accomplishment of the production plans, the collectivization of agriculture will be speeded up. In 1949 only 40,000 peasant families worked on collective farms and the acreage so farmed was given as 184,000 hectares.[10] The First Five Year Plan will thus bring about the socialist transformation of agriculture and rural society. As a result, the most important social reform of the postwar period, the Communist sponsored Land Reform of 1945 is to be completely reversed. This reform destroyed the existing large units and, through the creation in their stead of small subsistence farms of about 4 hectares, made mechanization and efficient farming impossible. Even the older peasant farms, most of them of less than 10 hectares, will be liquidated and turned into collectives.

Mining and Metallurgy[11]

The gross output of mining will be increased by 55 percent over 1949 and will reach 2.2 billion forints in 1954. In 1949 it was 40 percent above that of 1938. With the planned increase, it will be more than twice as high. The production of coal is to be increased from 11.8 million tons in 1949 to 18.5 million tons in

10. The number of peasant families is well over 12 million and the total acreage under crops is 5.6 million hectares.

11. Available figures are summarized in Tables III, IV, Va and Vb in the Appendix.

take an active part in the state-sponsored charitable collections. For instance, they carried out the collection of winter clothing in 1942 for the soldiers fighting at the front, when they collected 200 freight car loads of winter clothing and textiles. The *leventes* also helped with the collection of money for the Red Cross and for the aid of soldiers' families. One of their noteworthy achievements was the organization of the "Soldiers' Christmas" drive. During this drive they called on every family of soldiers fighting at the front who were wounded or missing, and also called at the homes of every enlisted man. They wrote reports on every case in their survey, and at Christmas time sent gifts to the soldiers and took presents to the soldiers' families.

The work of the "Husbandry Branch" of the *leventes* deserves notice. This work is done in rural communities where they try to improve conditions in the villages by guiding the spare-time activities of the poor into profitable channels. Instruction is given in vegetable culture (particularly peas and beans), also in methods of increasing the production of oil-seed. Organizing the systematic saving and collecting of waste material, scrap iron and textiles, was done by them.

The improvement in the standard of public health was due, directly and indirectly, to this organization. It is nation-wide in extent, and each member is compelled to undergo periodical medical examinations free of charge. The medical organization which looks after them has mobile hospital units which practically call at the *leventes'* homes. The poorer ones are given vitamin preparations to help their growth. Their social well-being is fostered by building "Levente homes," by sending them to summer